

SENATE BILL REPORT

SB 6299

As of January 18, 2008

Title: An act relating to the taxation of beekeepers.

Brief Description: Concerning tax exemptions for beekeepers.

Sponsors: Senators Rasmussen, Haugen and Hatfield.

Brief History:

Committee Activity: Agriculture & Rural Economic Development: 1/21/08.

SENATE COMMITTEE ON AGRICULTURE & RURAL ECONOMIC DEVELOPMENT

Staff: Bob Lee (786-7404)

Background: Each person owning one or more hives, brokers renting hives, and apiarists that are residents in other states who operate hives in Washington are required to register their hives by April 1st each year. The registration includes the name, address, phone number, and number of hives owned, brokered, or operated in Washington that year. A fee schedule exists in the administrative code which ranges from five dollars for five hives or less, to 300 dollars for more than 1,000 hives. The annual registration fee for brokers is 100 dollars. These funds may be used for apiary-related activities of the Department of Agriculture and funding of research projects.

The Apiary Advisory Committee, appointed by the Director of Agriculture, is to advise the director on the funding of research projects of benefit to the apiary industry.

The Apiary Program administered by the Department of Agriculture was discontinued after state general funds supporting the program were withdrawn.

Businesses with activities subject to the B&O tax but generate less than 12,000 dollars per year in gross income are not required to register with the Department of Revenue. Honey and bee products produced on an apiarist's own farm is not subject to the B&O tax. However, income from the sale of honey, pollination services and bee products produced off the apiarist's own farm that exceeds the 12,000 dollars annual threshold is required to be reported to the Department of Revenue and is subject to the B&O tax.

Summary of Bill: Beekeepers that have at least 45 hives and are registered with the Department of Agriculture are exempt from the following taxes:

- the business and occupation (B&O) tax on the wholesale sale of honey and bee products;
- the B&O tax on bee pollination services; and

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- the sales and use tax on the sale of pollinating bees.

These provisions take effect on July 1, 2008.

Appropriation: None.

Fiscal Note: Requested on January 18, 2008.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on July 1, 2008.